

PACC Offshore Services Holdings Ltd.

Results Presentation
Q3 & 9M FY15 Results

Agenda

1. Financial Highlights
2. CAPEX plan & fleet optimisation programme
3. Updates
4. Q & A

Key Highlights

- **Focus on delivering highest standard of service; developing long-term relationships with strategic charterers**
  - POSH Enterprise, our third 238-Pax light construction vessel delivered, was mobilised to the Middle East in 3Q FY15
  - POSH Enterprise commenced maiden long-term 5+2 years charter in early September 2015
  - POSH Enterprise and POSH Endeavour (on-hired in late 2Q FY15) are chartered to the same Middle East National Oil Company





FINANCIAL HIGHLIGHTS

Group Financial Highlights

SUMMARY

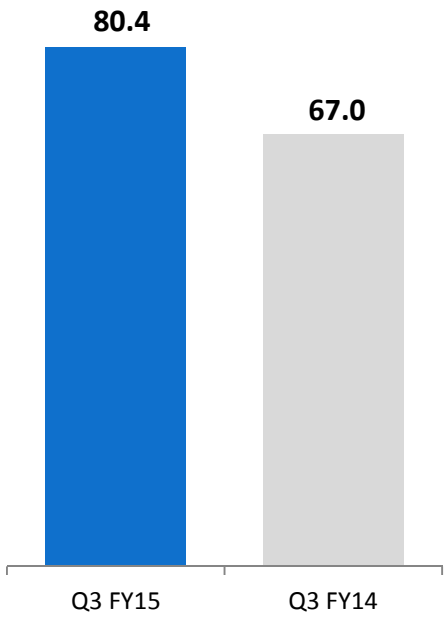
US$'000	Q3 FY15	Q3 FY14	Change	9M FY15	9M FY14	Change
Revenue	80,397	67,032	20%	209,004	178,230	17%
Gross profit	18,380	17,363	6%	40,840	50,737	(20)%
Other operating income	3,608	13,707	(74)%	8,865	56,153	(84)%
Share of JV results	873	(5,683)	N.M.	2,857	(8,579)	N.M.
Net profit after tax	12,579	14,648	(14)%	18,710	63,195	(70)%
EBITDA	32,043	28,732	12%	72,110	101,943	(29)%

N.M. denotes "Not Meaningful"

Group Financial Highlights – Q3 FY15

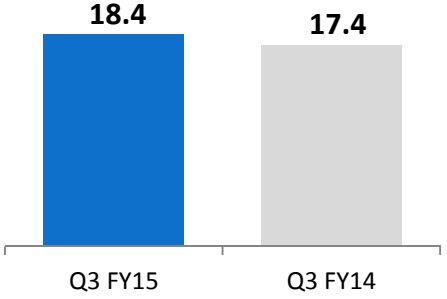
Gross Revenue (US$'M)

YoY +$13.4M (+20%)



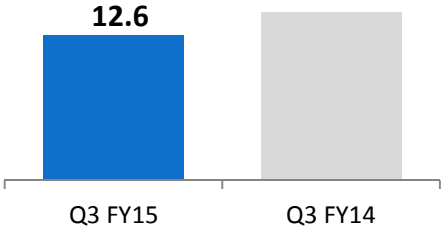
Gross Profit (US$'M)

YoY +$1.0M (+6%)



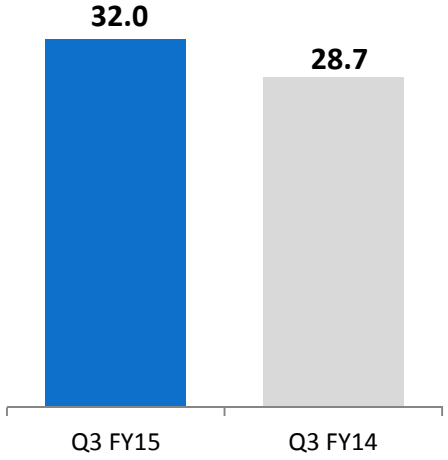
NPAT (US$'M)

YoY -$2.0M (-14%)



EBITDA (US$'M)

YoY -$3.3M (12%)



- Revenue higher mainly from OA and HSER, offset by lower charter rates and lower utilisation from OSV and T&I segment.
- Lower NPAT was mainly due to lower gain on vessels disposal. Excluding this gain, NPAT increased by $8.8M to $11.8M (Q3 FY14: $3.0M).

Group Financial Highlights – 9M FY15

Gross Revenue (US$'M)

YoY +$30.8M (+17%)

Gross Profit (US$'M)

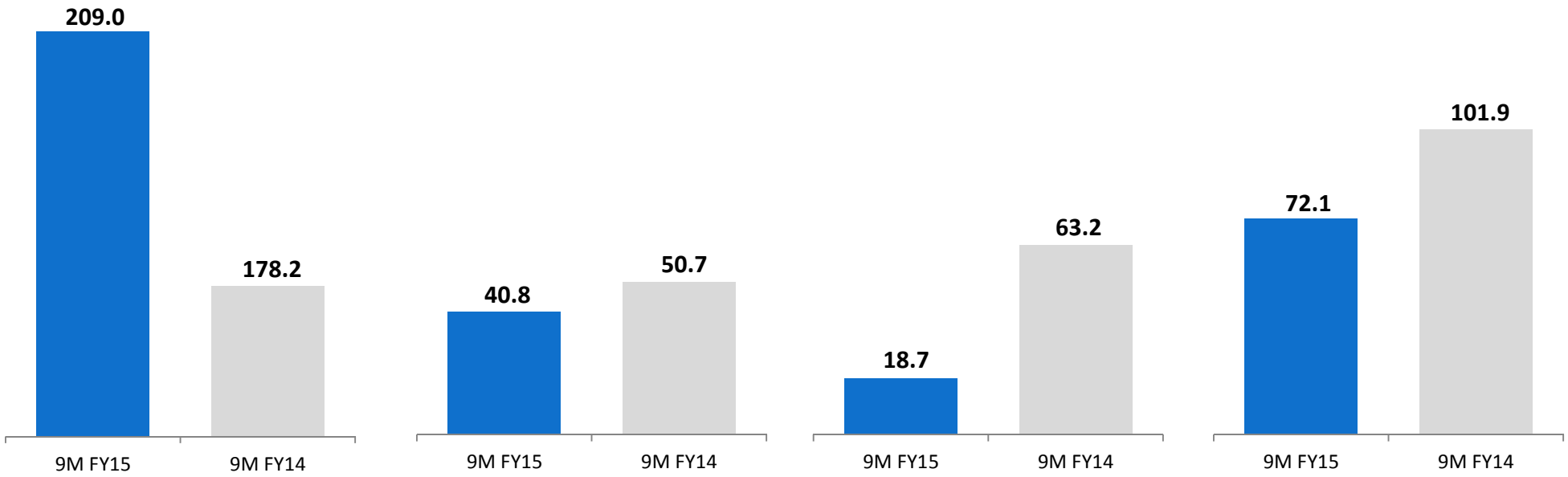
YoY -$9.9M (-20%)

NPAT (US$'M)

YoY -$44.5M (-70%)

EBITDA (US$'M)

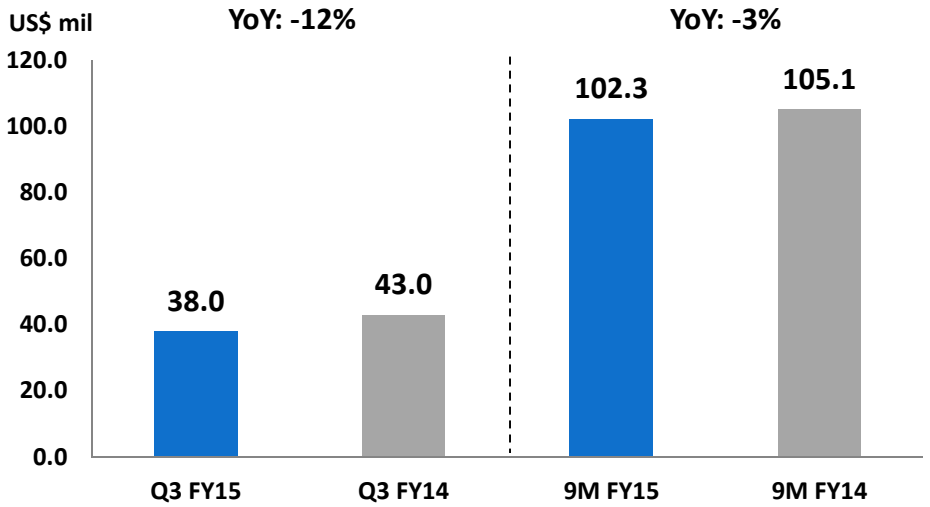
YoY -$29.8M (-49%)



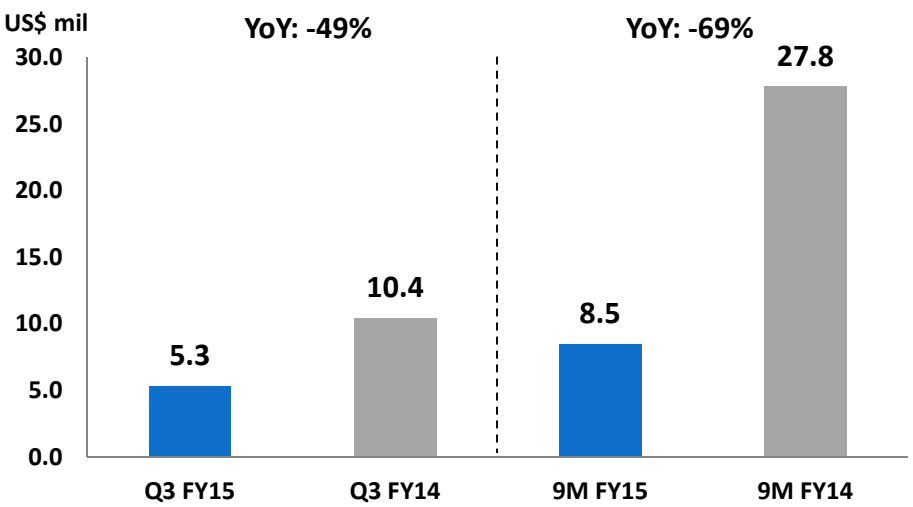
- Revenue higher mainly due to new OA contribution from POSH Xanadu and 3 LCVs offset by lower charter rates and utilisation across all segments.
- Gross profit lower mainly due to above.
- NPAT lower mainly due to lower gain on vessels disposal by $43.8M against last year. Excluding this gain, NPAT was $16.1M in 9M FY15 (9M FY14: $16.7M).

Financial Highlights – OSV

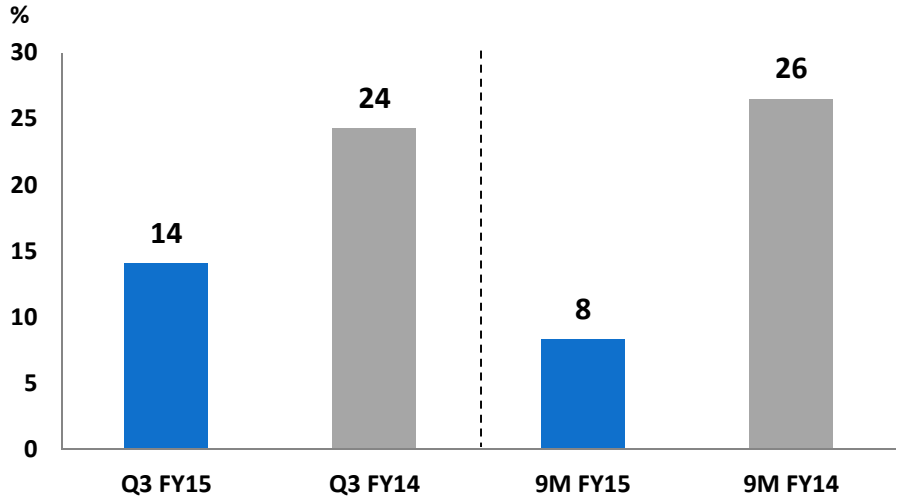
Revenue



Gross Profit



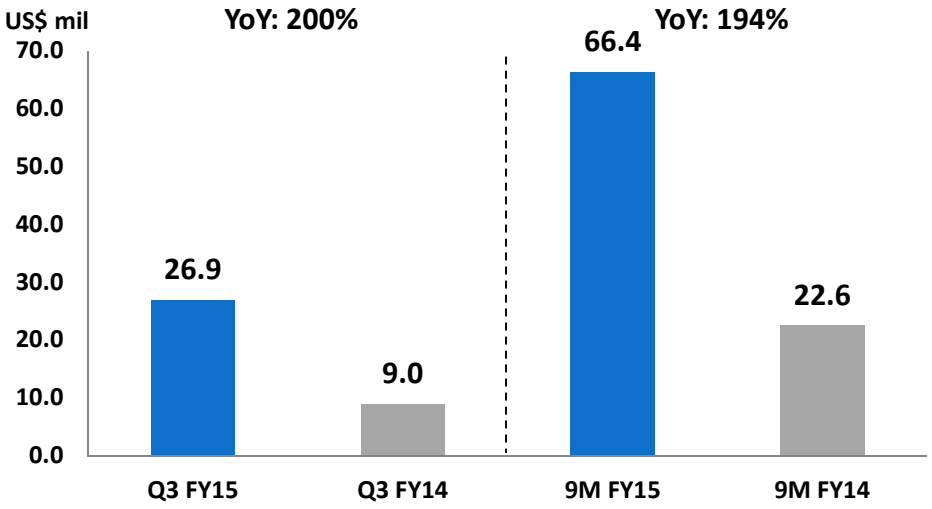
Gross Profit Margin



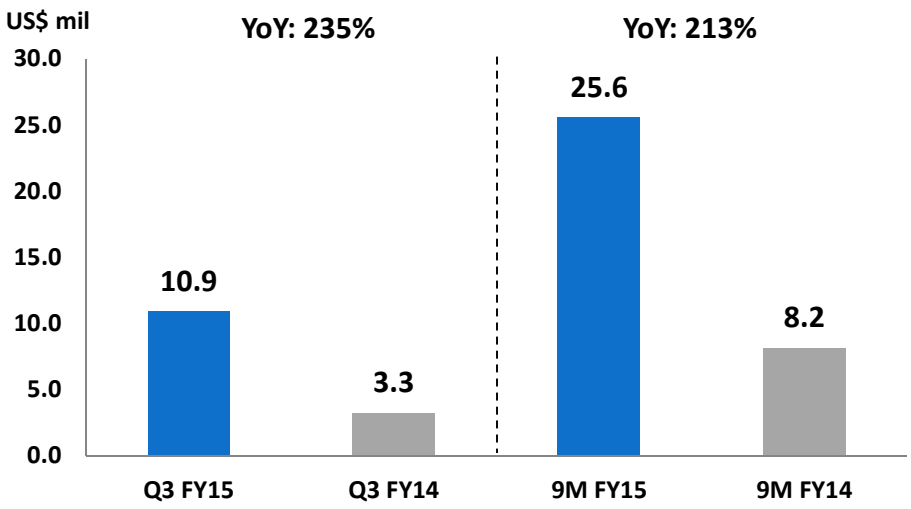
- Market witnessing oversupply of OSV in general
- Revenue declined in the face of
  - lower charter rates; and
  - vessel utilisation.

Financial Highlights – OA

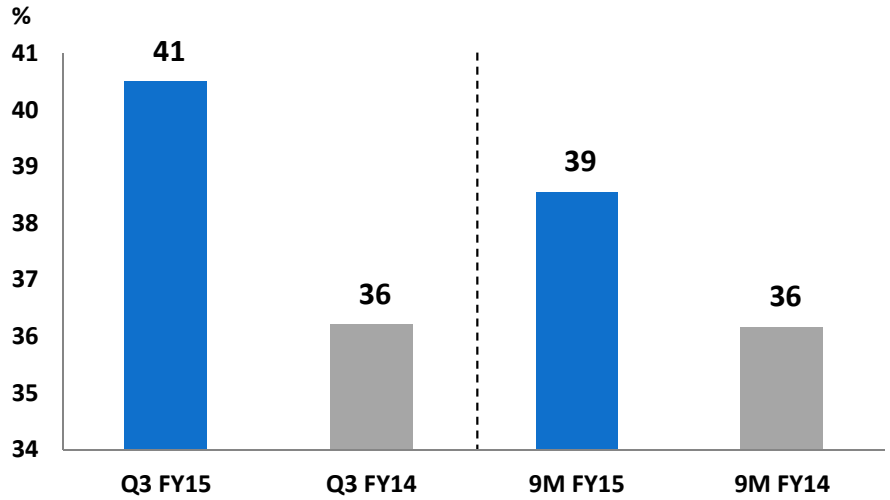
Revenue



Gross Profit



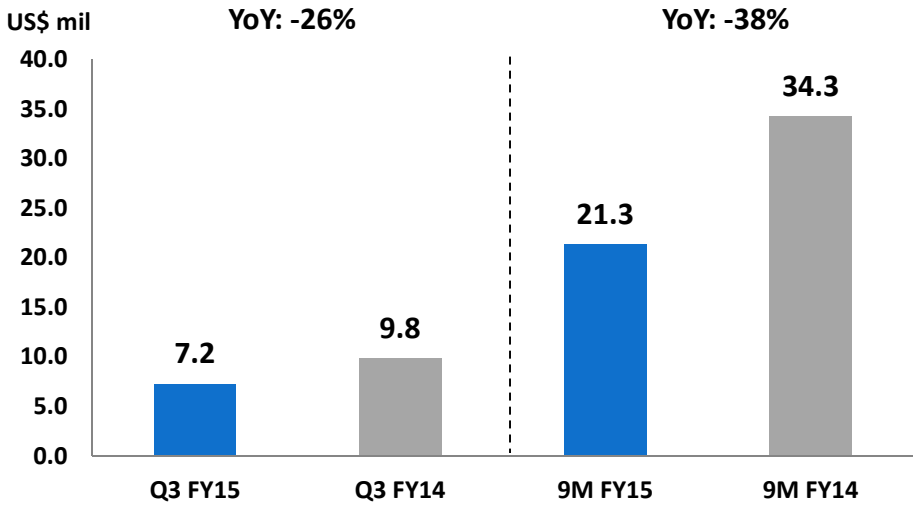
Gross Profit Margin



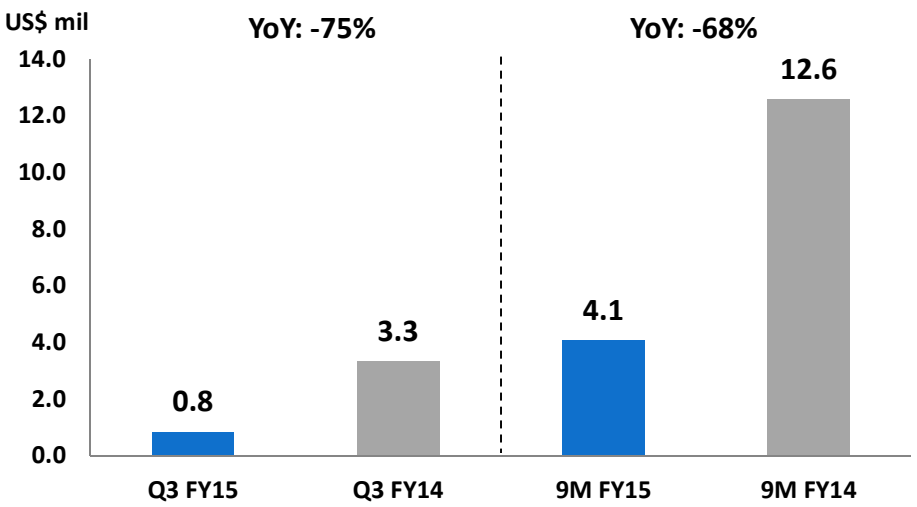
- Revenue increased two-folds on the back of contribution from
  - POSH Xanadu (SSAV)
  - Three Light Construction Accommodation Vessels (LCV)

Financial Highlights – T&I

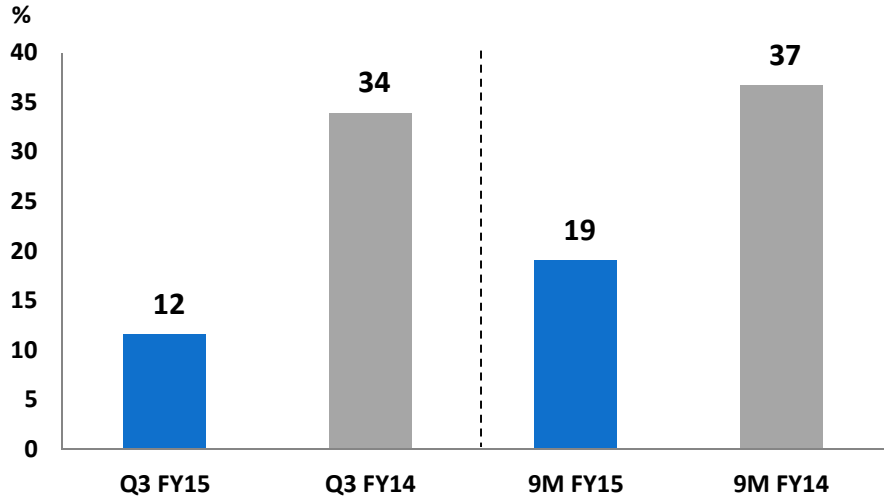
Revenue



Gross Profit



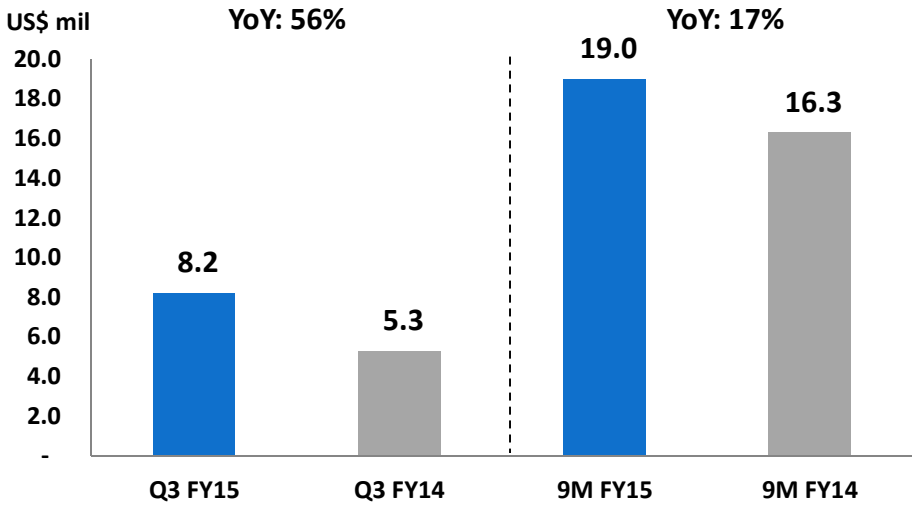
Gross Profit Margin



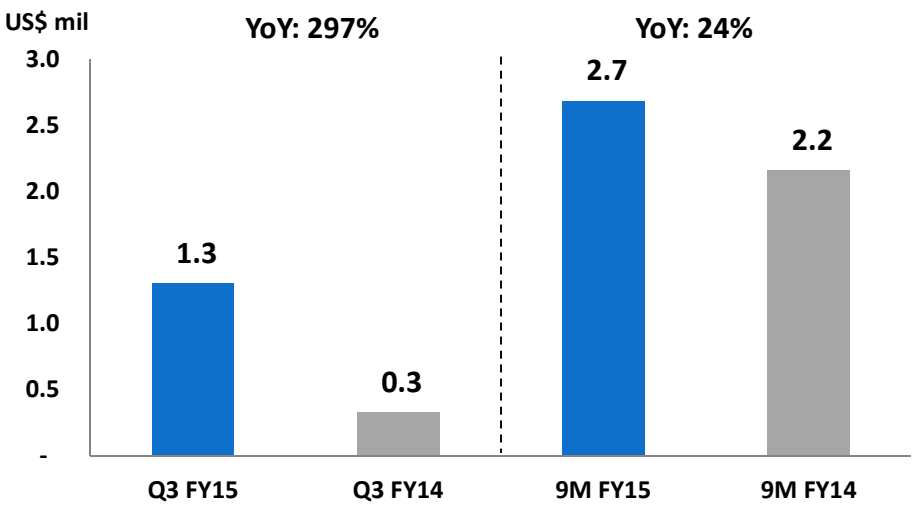
- Challenging T&I market observed
- Revenue declined in the face of
  - lower charter rates; and
  - vessel utilisation

Financial Highlights – HSER

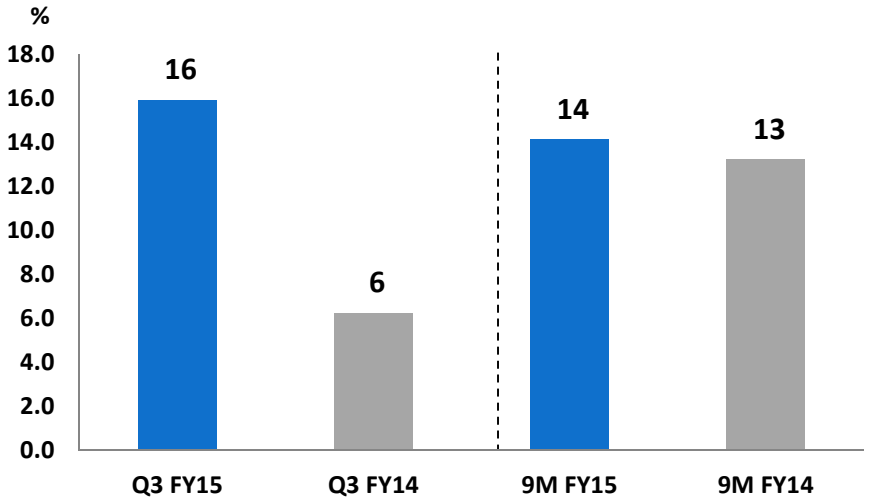
Revenue



Gross Profit



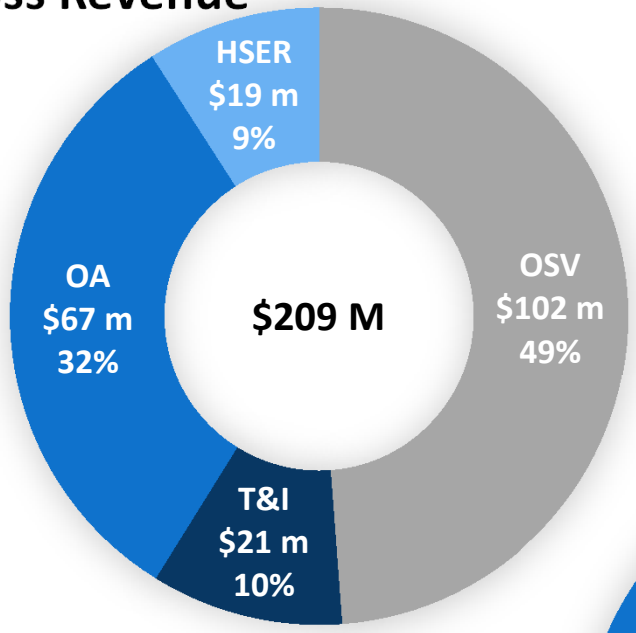
Gross Profit Margin



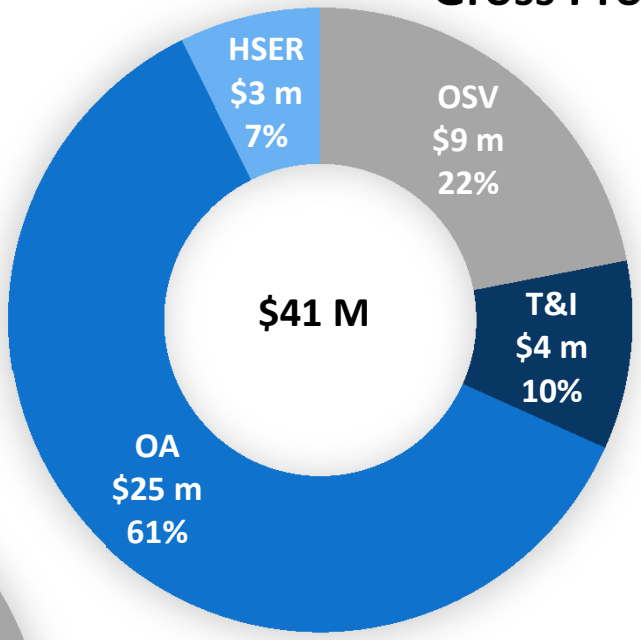
- More than 50% increase in revenue due to engagement in a salvage job during the period
- Emergency response business remains largely opportunistic in nature

Segments results[1] & Assets deployed[2]

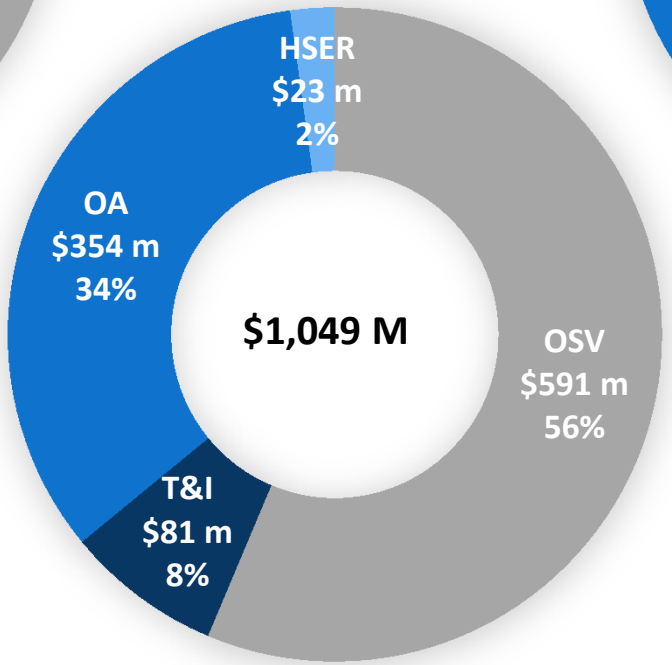
Gross Revenue



Gross Profit



Assets deployed



Currency :US$
Note 1: For period 9M FY15
Note 2: As at 30 Sep 2015

Capital Structure

US$'000	30 Sep 2015	31 Dec 2014
Net Debt	552,258	548,332
Equity	1,211,321	1,213,764
Net Debt /Equity	46%	45%

- The Company has available undrawn bank lines of approx. $375M.
- Strong financial position provides ability to capture opportunities

CAPEX Plan

	Wholly Owned	JVs	Under Construction/Order	
Number of vessels	76	38	14	
Net book value[1]	$1,049M	-	-	
CAPEX commitment	-	-	$594M Paid[1]	$177M Outstanding

- As at 30 September 2015, the Group has 14 vessels under construction/order with expected delivery by mid 2017.
- The Group is constantly monitoring its capex plan and has deferred certain planned newbuildings.
- The Group is taking delivery of 2 vessels[2] in FY15 with remaining payments approximating $43M.

Note 1: As of 30 Sep 2015
Note 2: See Appendix for details

Fleet Optimisation Program

	Current Fleet		New Vessels Under Construction/Committed
Types of Vessels	**Wholly Owned**	**Owned by JVs**	
AHTS	12	4	1
PSV	13	-	2
IMR	-	-	2
AHT	9	9	2
Towing Tugs	6	1	-
Barges	15	4	-
SSAV	1	-	1
Accommodation Vessels	6	1	1
Harbour Tugs	9	17	4
Crane Barge	2	2	1
Utility Workboats	3	-	-
Total as at to-date	**76**	**38**	**14**

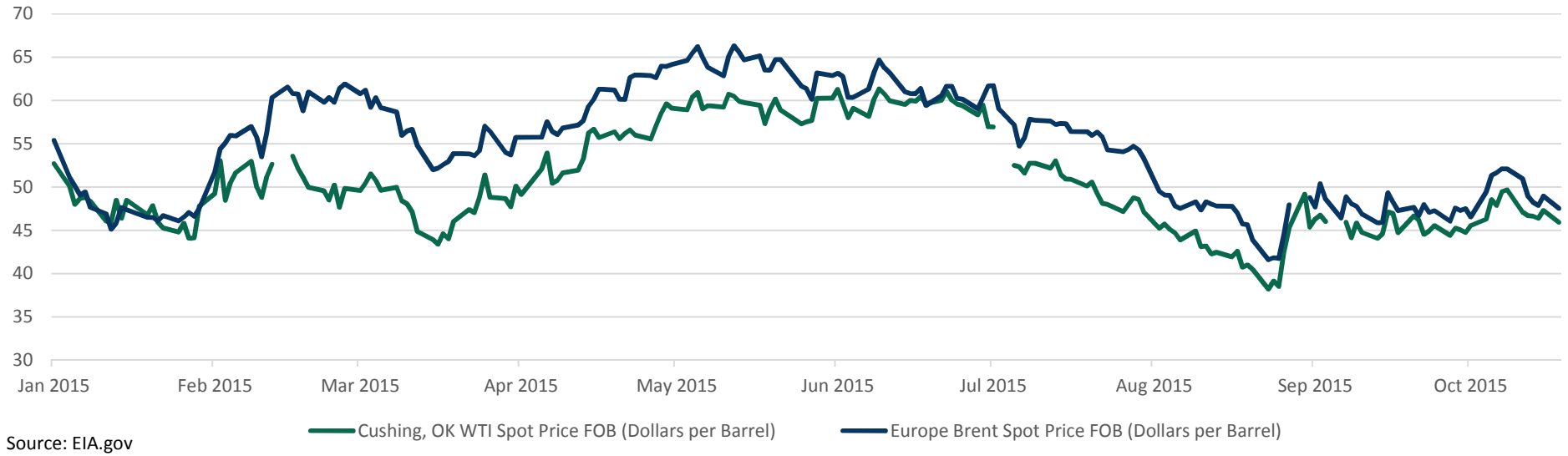
- Young fleet of customised new builds to meet customers' needs
- Focus on high-capacity and high-specification offshore accommodation vessels
- Entry into Inspection, Maintenance and Repair (IMR) segment with construction of IMR vessels

BUSINESS UPDATES



Outlook

- At current weak prices, oil companies are reducing or deferring their capital expenditure, reviewing existing charter arrangements and renegotiating charter rates
- Continued pressure on charter rates and vessel utilisation is expected in the next few quarters
- POSH is concentrating efforts in establishing market share in key markets such as the Middle East and Africa and improve utilisation by exploring more charter opportunities in frontier markets



Source: EIA.gov



THANK YOU

Appendix

Overview of Business Segments

	Offshore Supply Vessels (OSV)	Offshore Accommodation (OA)	Transportation and Installation (T&I)	Harbour Services and Emergency Response (HSER)
Description	▪ **AHTS and PSV:** Mid to deepwater oilfield operations in exploration, development, construction and production phases	▪ **Offshore accommodation, workshop and storage facilities:** Offshore construction and maintenance operations	▪ **AHT:** Ocean towage of FPSOs and large offshore structures; shallow-water pipelay and construction works ▪ **Barge:** Transportation, floatovers and launching of platform jackets	▪ **Harbour Services:** Support harbour towage operators and provide heavy lift services to shipyards ▪ **Emergency Response:** Salvage, wreck removal, rescue and oil-spill response operations globally
Fleet	▪ Operates **29 vessels** (JV: 4) including: • 8,000 – 16,000 BHP AHTS • 2,200 – 4,100 DWT PSVs ▪ **Youngest deepwater and midwater AHTS/PSV fleets globally** ▪ **Average vessel age of 3.9 years**	▪ Operates **8 vessels** (JV: 1) with total capacity of 2,112 persons ▪ **Capacity expected to increase to 3,100 persons by end 2015** ▪ Average vessel age of 7.5 years	▪ Operates **44 vessels** (JV: 14) including: • 12,000 – 16,300 BHP AHTs • 4,000 – 8,000 BHP AHTs • Barges, including submersible barges and launch barge • Average vessel age of 8.2 years	▪ Operates **33 vessels** (JV: 19) including: • 3,200 – 5,000 BHP Azimuth Stern Drive (ASD) harbour tugs • Heavy lift crane barges with safe working load capacities of 60 - 1,500 tonnes • Average vessel age of 9.5 years
Typical Contract Type	▪ Mix of short and long-term charters and spot contracts	▪ Long-term contracts	▪ Short-term charters or lump-sum project contracts	▪ MPA license to provide port towage services in Singapore ▪ Retainer agreements for emergency response services

Diverse Fleet Operating Across O&G Value Chain

	Exploration & Appraisal	Field Development	Operation & Maintenance	Decommissioning
 **Anchor Handling Tug Supply vessels (AHTS)** Tow and position drilling rigs	✓	✓	✓	
 **Anchor Handling Tugs (AHT)** Provides towage and construction support services	✓	✓	✓	✓
 **Platform Supply Vessels (PSV)** Transport materials and supplies	✓	✓	✓	
 **Barges** Transport large marine structures for floatover operations and launch of platform jackets		✓	✓	✓
 **Accommodation Vessels (AV)** Provides accommodation, lifting, catering, workshop, storage and heli-deck facilities.		✓	✓	✓

Downstream



Crane Barges
For heavy lift services



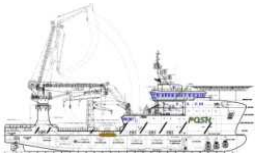
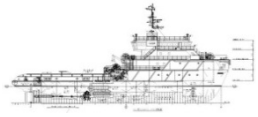
Harbour Tugs
Deployed in harbour towage



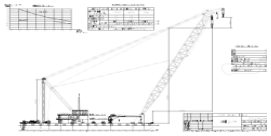
Emergency Response
Provides equipment and personnel for salvage, rescue and oil spill response operations

Vessels to be delivered – 2015 onward

As at 30 September 2015, we have a total of 14 newbuilds contracted for delivery

POSH			Expected Delivery Date	No. of Newbuilds	Size
OA	SSAV		▪ Q4 2015	▪ 1 DP3 SSAV	▪ 750-person
	AV		▪ Q2 2016	▪ 1 LCV	▪ 88 M
			▪ Q4 2016 ▪ Q1 2017	▪ 2 DP2 IMR vessels	▪ 89 M
OSV	AHTS		▪ Q1 2016	▪ 1 DP2 AHTS	▪ 8,000 BHP
	PSV		▪ Q2 2016 ▪ Q2 2016	▪ 2 DP2 PSV	▪ 70 M
T & I	AHT		▪ Q1 2016 ▪ Q2 2016	▪ 2 AHT	▪ 6,600 BHP
HSER	Tug		▪ Q3 2016 ▪ Q3 2016	▪ 2 ASD Harbour Tugs	▪ 5,000 BHP ▪ 5,000 BHP

Vessels to be delivered – 2015 onward (cont'd)

JV		Expected Delivery Date	No. of Newbuilds	Size
Floating Crane Barge		▪ Q4 2015	▪ 1 Floating Crane Barge	▪ 500T Sheerleg
Tug		▪ Q3 2016 ▪ Q3 2016	▪ 2 ASD Harbour Tugs	▪ 3,600 BHP

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